

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /046 W
-----042975 150524Z /12
R 141720Z SEP 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 0006
INFO AMCONSUL HONG KONG

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E. O. 11652: N/A
TAGS: EAIR, UK, HK
SUBJECT: CIVAIR: HONG KONG CURRENCY PROBLEM

REF: A) STATE 207433; B) STATE 188409

1. EMBASSY HAS OBTAINED DOCUMENTATION REQUESTED
REF B. SINCE PANAM FILINGS INVOLVED WERE MADE TO
MATCH NON-IATA FARES UNDER IATA RESOLUTION 115(J),
THEY WERE SUBMITTED, IN ACCORDANCE WITH REQUIRED U.K.
CIVIL AVIATION AUTHORITY PROCEDURE, THROUGH BRITISH
AIRWAYS. SUBSTANTIVE PORTION OF THE FILINGS IS IN
FORM OF TELEXES FROM IATA. (COPIES BEING POUCHED
EB/OA/AVP.)

2. FIRST, DATED MARCH 10, 1975, AND DEALING ONLY WITH
FIRST CLASS AND NORMAL ECONOMY FARES (AFTER TRANSLA-
TION FROM TELEXES TO ENGLISH), READS AS FOLLOWS:

"TO ALL MEMBERS JT3I: MEMBERS ARE ADVISED THAT
THE FOLLOWING FILING UNDER RESOLUTION JT3I/115J
HAS BEEN RECEIVED FROM PANAM. IN ACCORDANCE WITH
RESOLUTION JT3I/115J PAN AMERICAN HEREBY GIVES
NOTICE OF ITS INTENTION TO INTRODUCE EFFECTIVE
APRIL 15, 1975, THE FOLLOWING MODIFICATIONS TO

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CURRENCY RESOLUTION 021L APPLICABLE ONLY TO SALES
OF TRANS-PACIFIC TRANSPORTATION ORIGINATING HONG
KONG AND SINGAPORE DESTINED TO THE USA/CANADA
AND RETURN. IN RESPECT OF ONLY THE FIRST CLASS
FARES AND NORMAL ECONOMY CLASS FARES WE SHALL EX-
CLUDE THE PROVISIONS OF SUBPARAGRAPH 7/D AND
PARAGRAPH 11 OF RESOLUTION 021L AND ACCEPT

UATP (SIC) SALES IN HONG KONG/SINGAPORE ON THE BASIS OF BILLING IN US/CANADA AT THE LEVEL OF THE ACTUAL PUBLISHED U.S. DOLLAR FARE INVOLVED, ALSO FOR THESE SAME TWO FARE CATEGORIES ONLY WE SHALL ACCEPT IN HONG KONG/SINGAPORE U.S. OR CANADIAN DOLLARS IN CASH AT THE ACTUAL PUBLISHED U.S. DOLLAR FARE. THESE MODIFICATIONS ARE NECESSARY TO MEET PRACTICES OF NON-IATA CARRIERS OPERATING DIRECT OR CONNECTING SERVICES FROM HONG KONG/SINGAPORE TO USA EQUIVALENT TO MORE THAN TWICE DAILY COMPARED TO ELEVEN SERVICES OPERATED BY PANAMERICAN BY EITHER B747 OR B707 AIRCRAFT. CHAMPION'. MEMBERS ARE REMINDED THAT THIS FILING IS SUBJECT TO A SEVEN DAY PROTEST PERIOD IN ACCORDANCE WITH THE EXPEDITED PROVISIONS OF RESOLUTION 115J AS ADOPTED IN SAN DIEGO AND DECLARED EFFECTIVE 6 JANUARY 1975. LEMAIRE, SECRETARY TRAFFIC CONFERENCES".

3. SECOND, DATED APRIL 17, TRANSMITS CPAIR FILING AS FOLLOWS:

"I HAVE BEEN ADVISED THAT NORTHWEST ANNOUNCED IN HONG KONG THAT THEY NOW ACCEPTING ALL REPEAT ALL FARES PAYABLE IN U.S. DOLLARS. THEREFORE I WISH TO ADVISE IN ACCORDANCE WITH RESOLUTION JT31/115J

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /046 W
-----042434 150523Z /12

R 141720Z SEP 78
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CP AIR HEREBY GIVES NOTICE OF ITS INTENTION TO MATCH THIS NON-IATA CARRIER PRACTICE AND INTRODUCE EFFECTIVE MAY 27, 1975, THE FOLLOWING MODIFICATIONS TO CURRENCY RESOLUTION 021L APPLICABLE ONLY TO SALES OF TRANS-PACIFIC TRANSPORTATION ORIGINATING IN HONG KONG DESTINED TO USA/CANADA AND RETURN. IN RESPECT TO ALL FARES WE SHALL EXCLUDE THE PROVISIONS OF SUBPARAGRAPHS 7/D AND PARAGRAPH 11 OF RESOLUTION 021L AND ACCEPT U.S. OR CANADIAN DOLLARS AT ACTUAL PUBLISHED U.S. DOLLAR FARES."

4. THIRD TELEX INFORMS MEMBERS OF IATA TRAFFIC CONFERENCE JT3I THAT PANAM HAS EXTENDED ITS INTENTION TO "ACCEPT UATP SALES AS WELL AS U.S./CANADIAN DOLLAR CASH SALES FOR TRANS-PACIFIC TRANSPORTATION AND RETURN ORIGINATING IN HONG KONG AND DESTINED TO USA/CANADA" TO ALL FARES AND DECLARES THE PANAM FILINGS IMMEDIATELY EFFECTIVE.

5. THESE MESSAGES APPEAR CLEARLY TO STATE THAT U.S. DOLLAR FARE IN HONG KONG IS AT PUBLISHED RATE EX-U.S., LIMITED OFFICIAL USE

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RATHER THAN AT CURRENCY MARKET EQUIVALENT OF THE HONG KONG DOLLAR FARE.

6. FYI. IN COURSE OF OBTAINING ABOVE INFORMATION, CIVAIR ATTACHE EXPLAINED TO BROWN OF U.K. DEPARTMENT OF TRADE THAT U.S. AUTHORITIES UNDERSTOOD THAT THE U.S. DOLLAR FARE IN HONG KONG WAS THE CURRENCY MARKET EQUIVALENT OF THE HONG KONG FARE, RATHER THAN THE PUBLISHED U.S. DOLLAR FARE. BROWN IMMEDIATELY RESPONDED THAT IF SO THE SITUATION WAS EVEN WORSE THAN HE HAD THOUGHT; DIRECTIONAL DISCRIMINATION WOULD BE WORSE THAN CURRENCY DISCRIMINATION, AND MORE PRECISELY PARALLEL TO THE CASE THE U.S. HAD COMPLAINED ABOUT. HE ADDED THAT WHILE THE U.K. UNDERSTANDS THE U.S.'S PROBLEMS, IT IS DETERMINED TO PRESS FOR AN ADEQUATE U.S. RESPONSE. END FYI.

7. REQUEST INSTRUCTIONS.

BREWSTER

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Message Attributes

Automatic Decaptioning: X
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Concepts: DOLLAR, FOREIGN EXCHANGE RATES, AIR FARES
Control Number: n/a
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Draft Date: 14 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EAIR, UK, HK, US
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